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**ARIZONA CORPORATION COMMISSION**

**ORIGINAL**

2009 MAY 22 P 3:18

May 22, 2009

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**

MAY 22 2009

**CERTIFIED MAIL**

Debra Kelland  
Copper Ridge Waste Water Facility  
P. O. Box 5450  
Yuma, AZ 85366

DOCKETED BY	
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RE: Copper Ridge Waste Water Facility's ( "Copper Ridge" or "Company") Response to Staff's Insufficiency Letter and Data Requests in Docket No. SW-20628A-08-0493

Dear Ms. Kelland:

On September 25, 2008, Copper Ridge filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for a Certificate of Convenience and Necessity ("CC&N") to provide sewer service. On October 23, 2008, Staff sent an insufficiency letter to the Company and requested certain information (23 specific items) in order to grant sufficiency. Staff also advised the Company that it had 60 days to provide the requested information.

Staff sent a second letter to the Company on February 25, 2009 advising the Company that Staff had not received a response from the Company. Staff also requested information in addition to that requested in the October 23<sup>rd</sup> letter. Staff received a letter from Nancy Miller, the Company's management consultant, dated March 3, 2009. This letter did not provide all of the requested information. Staff advised Ms. Miller of that fact in a March 25, 2009 letter. In that letter Staff also explained that if it did not receive the requested information within 30 days, that Staff might pursue an Order to Show Cause or other remedies against the owners of Copper Ridge for the construction of wastewater facilities prior to ACC approval, which is a violation of A.A.C. §14-2-602.A.1.

Staff received a final letter from Nancy Miller on April 2, 2009. In this letter, Ms. Miller indicated that she had resigned from the Company, effective March 15, 2008, and requested that I direct all future correspondence to your attention. I have attached all of the above-referenced correspondence for your convenience.

Please supply **all** of the information that Staff previously requested except for the information that Ms. Miller has already provided, and the map/legal description. Additionally, please provide the following information or take the required actions:

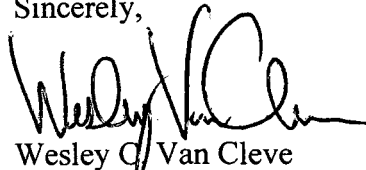
1. Explain your role within the organization and your qualifications associated with operating a sewer company.

2. Provide assurances that all Company staff are knowledgeable of the Commission's Rules relating to sewer companies (R14-2-601 to R14-2-610) which can be found at [www.azcc.gov](http://www.azcc.gov).
3. According to the Corporations Division of the ACC, Copper Ridge Wastewater Facility, Inc. is delinquent in filing its annual report. In addition, the Corporations Division still lists Nancy Miller as the Statutory Agent. Please resolve these issues and provide documentation of such.

**If the applicant does not provide the requested information within 30 calendar days of your receipt of this certified letter, the Staff will pursue an Order to Show Cause or other remedies against the owners of Copper Ridge for construction of wastewater facilities prior to ACC approval which is a violation of A.A.C. R14-2-602.A.1.**

If you have any questions concerning this matter, please do not hesitate to contact Vicki Wallace at 602-542-0818.

Sincerely,



Wesley C. Van Cleve  
Attorney, Legal Division  
(602) 542-3402

cc: Docket Control  
Marlin Scott  
Barbara Wells  
Darak Eaddy  
Vicki Wallace

Arizona Corporation Commission

Vicki Wallace

1200 West Washington St

Phoenix AZ 850074-2927

RECEIVED

APR 02 2009

AZ CORP COM  
Director Utilities

RE: Copper Ridge Waste Water Facility Docket No. SW-20628A-08-0493

Dear Ms. Wallace

Effective March 15, 2009, I have resigned from the Copper Ridge Waste Water Facility Inc.

Please direct all future correspondence to Debra Kelland at 928 785 4435 and fax 928 785 9493.

I hope this will help the company to fulfill their requirements from ACC.



Nancy Miller

Attachment: Letter of resignation

Members of Copper Ridge Waste Water Facility INC>

March 15, 2009

Effective immediately I, Nancy Miller, resign any and all offices, or affiliations with Copper Ridge  
Waste Water Facility.

Nancy Miller

A handwritten signature in black ink, appearing to read "N. Miller", with a long horizontal flourish extending to the right.

Arizona Corporation Commission

1200 W. Washington ST.

Phoenix, AZ 85007-2927

March 3, 2009

RE: Docket No. SW=20628A-08-0493

Responding to your letter of February 25, 2009:

Copper Ridge is a new facility. It was completely paid for by the owner. There are no pending bills or loans. At this time, there are only 10 lots sold and these are to the winter visitors. The facility will be closed from May to October each year.

1. No officer, director, management consultant or employee of the Company has been accused of allegations of political corruption, etc.
2. No officer, director, management consultant or employee of the Company has been convicted of allegations of political corruption, etc.
3. This case is pending. No conviction or court ruling has occurred to date.
4. Water and waste water companies that we manage are:
  - Antelope Water      El Prado Water      Tierra Mesa Estates Water
  - Green Acres Water      Q Mountain Water      Fisher's Landing Water
  - Tacna Water

These companies are in compliance as far as we know.

5. Copper Ridge is in compliance with ADEQ.

6. No one involved with the Company has filed for bankruptcy.

7. Copper Ridge is a new facility. It was completely paid for by the owner. There are no pending bills or loans. At this time, there are only 10 lots sold and these are to the winter visitors. The facility will be closed from May to October each year.

Nancy Miller

4743 E. 30<sup>th</sup> St.

Yuma, AZ 85365

928.341.9685

Post-it® Fax Note 7671

To	VICKI WALLACE	Date	3/10/09	# of pages	1
Co./Dept.	WALLACE	From	Nancy Miller		
Phone #		Co.	WALLACE		
Fax #		Phone #			
		Fax #			

**COMMISSIONERS**  
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**ARIZONA CORPORATION COMMISSION**

MICHAEL P. KEARNS  
Interim Executive Director

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2009 MAR 25 A 9:39

AZ CORP COMMISSION  
DOCKET CONTROL

March 25, 2009

**CERTIFIED MAIL**

Nancy Miller, Management Contact  
Sunstate Environmental Services  
P. O. Box 5450  
Yuma, AZ 85366

RE: Response to Staff's First Set of Data Requests to Copper Ridge Waste Water Facility ("Cooper Ridge" or "Company"), Docket No. SW-20628A-08-0493

Dear Ms Miller:

I just recently received a copy of your response dated March 3, 2009, to Staff's First Set of Data Request and my letter to you of February 25, 2009. In the future, please send correspondence directly to me (Vicki Wallace) at the Phoenix Office address listed at the bottom of this letterhead to avoid any delay in receipt.

You were asked in my letter of February 25, 2009, to respond to not only the 7 data requests but also to the information requested in the Insufficiency Letter dated October 23, 2008. Your response covered only the 7 data request questions and not the 23 items listed in the Insufficiency Letter. Thus, I am providing you a copy of that letter for response.

Additionally, the response to data request number three (stated below) was insufficient:

"According to azcentral.com and yumasun.com newspaper articles dated November 13, 2008, a federal grand jury in Phoenix returned a three-count indictment of falsifying test results against Nancy Miller (who is the management consultant for Copper Ridge) who ran Sunstate Environmental Laboratories ("Lab") that tested water samples for water companies, schools, and farms in Yuma and La Paz counties. One article indicated that Ms. Miller agreed to close Lab until after a state investigation. Please explain Ms. Miller's involvement with the Lab, the allegations against her, and the status of the case."

Your response to the above-referenced data request was "This case is pending. No conviction or court ruling has occurred to date." Please explain Ms. Miller's involvement with the Lab and the allegations against her.

**If the applicant does not provide the requested information in this data request and the data requested in the Insufficiency Letter within 30 calendar days of your**

receipt of this letter, the Staff may pursue an Order to Show Cause or other remedies against the owners of Copper Ridge for construction of wastewater facilities prior to ACC approval which is a violation of A.A.C. R14-2-602.A.1.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0818.

Sincerely,

A handwritten signature in cursive script that reads "Vicki Wallace". The signature is written in black ink and is positioned above the printed name and title.

Vicki Wallace  
Executive Consultant

Cc: Docket Control  
Marlin Scott  
Barbara Wells  
Darak Eaddy  
Wes Van Cleve

**COMMISSIONERS**  
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PAUL NEWMAN  
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BOB STUMP



MICHAEL P. KEARNS  
Interim Executive Director

ARIZONA CORPORATION COMMISSION

February 25, 2009

2009 FEB 25 P 12:03

**CERTIFIED MAIL**

AZ CORP COMMISSION  
DOCKET CONTROL

Nancy Miller, Management Contact  
Sunstate Environmental Services  
P. O. Box 5450  
Yuma, AZ 85366

RE: Staff's First Set of Data Requests to Copper Ridge Waste Water Facility, Docket No. SW-20628A-08-0493

Dear Ms Miller:

As you are aware, Copper Ridge Waste Water Facility ("Copper Ridge" or "Company") received an Insufficiency Letter dated October 23, 2008, requesting certain information to meet sufficiency requirements. In addition to information requested in the above-referenced Insufficiency Letter to Copper Ridge, Staff is requesting that the Company provide the following:

1. Have any of the (present and past) officers, directors, management consultants, and/or employees of the Company been accused of allegations of political corruption (including but not limited to campaign violations and election law violations); allegations of construction violations; allegations of misconduct; and filings at administrative hearings, at the local, state, or federal agencies, including at the Federal Elections Commission, Registrar of Contractors, or any violations of law? If so, please provide a comprehensive list of the entities that have been accused of the above-mentioned allegations; the litigation history; and the individual case disposition.
2. Have any of the persons or entities listed in No. 1 above been convicted or admitted to any of the allegations listed?
3. According to azcentral.com and yumasun.com newspaper articles dated November 13, 2008, a federal grand jury in Phoenix returned a three-count indictment of falsifying test results against Nancy Miller (who is the management consultant for Copper Ridge) who ran Sunstate Environmental Laboratories ("Lab") that tested water samples for water companies, schools, and farms in Yuma and La Paz counties. One article indicated that Ms. Miller agreed to close Lab until after a state investigation. Please explain Ms. Miller's involvement with the Lab, the allegations against her, and the status of the case.



4. It is Staff's understanding that Ms. Miller from Sunstate Environmental Services also manages approximately 13 other regulated water and wastewater facilities. Please advise the names of these companies and compliance status with the Arizona Corporation Commission ("ACC"), Arizona Department of Environmental Quality ("ADEQ"), and Arizona Department of Water Resources ("ADWR").
5. Please provide Copper Ridge's compliance status with ADEQ and ADWR.
6. Have any of the officers, directors, management consultants, and/or employees of the Company filed for bankruptcy?
7. Please identify any and all mechanics, tax or other liens that have been assessed against Copper Ridge or its owners/operators.

Please be aware that you were advised the following in the Insufficiency letter dated October 9, 2008, of the following:

- Pursuant to A.A.C. R14-2-411(C) (3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

To date, Staff has not had a response from the Company, and the expiration of the 60 calendar days occurred on December 22 2008. If the applicant does not provide the requested information in this data request and the data requested in the Insufficiency Letter within 30 calendar days of your receipt of this letter, the Staff may pursue an Order to Show Cause against the owners of Copper Ridge for construction of wastewater facilities prior to ACC approval which is a violation of A.A.C. R14-2-602.A.1.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0818.

Sincerely,



Vicki Wallace

Executive Consultant II

Cc: Docket Control  
Marlin Scott  
Barbara Wells  
Darak Eaddy  
Wes Van Cleve

**COMMISSIONERS**  
MIKE GLEASON - Chairman  
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JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

BRIAN C. McNEIL  
Executive Director

**ARIZONA CORPORATION COMMISSION**

October 23, 2008

**CERTIFIED MAIL**

Nancy Miller, Management Contact  
Sunstate Environmental Services  
P. O. Box 5450  
Yuma, AZ 85366

RE: Copper Ridge Waste Water Facility, Inc. - Application for a Certificate of Convenience and Necessity ("CC&N") Docket No. SW-20628A-08-0493

**INSUFFICIENCY LETTER**

Dear Ms. Miller:

In reference to the above-mentioned application filed on September 25, 2008, this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C"). The following information needs to be provided in order to determine sufficiency:

1. A map and written legal description (metes and bounds or cadastral) for the requested service area.
2. Requests from developer(s) for provision of sewer services.
3. A schedule of plant in service for the next five years with the following.
  - A schedule of plant in service projections for plant items and their individual costs.
  - A schedule of depreciation rates and projected depreciation expense.
  - A schedule of accumulated depreciation for each of the five projected years.
4. Projected balance sheets for each of the five years.
5. A schedule of Developer advances in aid of construction and refunds for the five projected years (if applicable). In this schedule, please include the plant in service account of each advance.

Nancy Miller  
Page Two  
October 23, 2008

6. A schedule of Developer contributions in aid of construction ("CIAC") and amortization of CIAC for the five projected years (if applicable). In this schedule, please include the plant in service account of each contribution.
7. A schedule of service line connection revenue and refunds for the five projected years (if applicable).
8. A projected statement of income for the 12 months ended each of in each of the five years.
9. A schedule of projected revenue for each of the five years, type of revenue, and sources of revenue.
10. A schedule of gallons processed (1,000s) for the five projected years by type of customer.
11. A schedule for the computation of projected property taxes for the five years ended.
12. A schedule of the projected cash flow for the five years ended.
13. A schedule of projected customer numbers by type for the first five years ended.
14. A schedule of other revenue for the projected five years ended.
15. A schedule of the computation for state and federal income taxes (if applicable).
16. A schedule of the projected capital financing for the five years ended.
17. The wastewater facility appears to be an existing plant. If this is the case, please provide:
  - An explanation as to why facilities were constructed prior to receiving approval from the Arizona Corporation Commission ("ACC") pursuant to A.A.C. R14-2-602.A.1.
  - A copy of the aquifer protection permit for the treatment plant.

18. The plant information for the following items:

- Size of the wastewater treatment plant, example: 50,000 gallon per day.
- Type of treatment method.
- Material type, diameter, and length of collection pipe.
- Number of existing service laterals (customers).
- Number of lift stations, i.e., pump size in horsepower, quantity, etc.
- Provide a sketched system schematic of the existing wastewater system.

19. The proposed plant-in-service cost of \$286,000 (attachment C of the application) and \$131,217 (page CS-4 of the application) do not correlate. Please revise and provide the proposed plant-in-service cost for the first five years.

20. Attach a copy of the Corporation's "Certificate of Good Standing" issued by the Corporations Division of the ACC.

21. Attach a copy of the Articles of Incorporation.

22. Provide the financial condition of the applicant and experience in owning and operating a public water or wastewater facility including certified operator information.

23. Describe the operations and organizational structure of Copper Ridge Waste Water Facility, Inc.

Staff would like to use this opportunity to bring the following to your attention:

- Pursuant to the A.A.C. R-14-2-411(C), upon meeting sufficiency requirements, the Commission has 150 days for its substantive review. This includes conducting a hearing and preparing an Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

Nancy Miller  
Page Four  
October 23, 2008

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0818, Darak Eaddy at 602-542-0855, Marlin Scott, Jr. at 602-542-7272, or Barbara Wells at 602-542-0820 (legal description questions).

Sincerely,

Vicki Wallace  
Chief, Consumer Services & Special Projects

Cc: Docket Control  
Del Smith  
Marlin Scott  
Darak Eaddy  
Barbara Wells  
Lyn Farmer